

Message Text

PAGE 01 STATE 126149

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ORIGIN EUR-12

INFO OCT-01 ISO-00 PM-03 NSC-05 SP-02 SS-15 L-03 NSCE-00

ACDA-05 PRS-01 OMB-01 SSO-00 INR-07 INRE-00 CIAE-00

TRSE-00 DODE-00 FS-01 ABF-01 SAJ-01 OC-05 CCO-00 /063 R

DRAFTED BY L/EUR:DHSMALL:NMC

APPROVED BY EUR:RDVINE

L - MR. FELDMAN

TREASURY - MR. CROSSWHITE

EUR/WE - MR. MARSH

DOD/ISA - MR. LLOYD

EUR/RPM - MR. E. REHFELD

L/C - MR. KWIA TEK

BF/FS/AB - MR. D. WATKINS (PARA 2

DOD/OGC - MR. FORMAN

----- 124121

O R 301723Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY PARIS IMMEDIATE

INFO USMISSION NATO

C O N F I D E N T I A L STATE 126149

E.O. 11652: DOWNGRADE TO LOU UPON EXCHANGE OF NOTES

TAGS: PFOR, MILI, FR

SUBJECT: EXCHANGE OF NOTES ON FRELOC

(A)PARIS 13243, (B) STATE 281525, (C) PARIS 7522

1. SUMMARY: FRENCH PROPOSED TEXT (REF A) IS GENERALLY
ACCEPTABLE REDRAFT OF ORIGINAL U.S. PROPOSAL (REF B).
EMBASSY SHOULD DISCUSS MINOR MODIFICATIONS WITH QUAI AND
SEEK TO CONCLUDE EXCHANGE OF NOTES IN TIME FOR FRENCH
TO BE ABLE TO MAKE FIRST PAYMENT IN JUNE. END SUMMARY

CONFIDENTIAL

PAGE 02 STATE 126149

2. WE WOULD PROPOSE TO REPLACE PENULTIMATE SENTENCE OF
PARA 2 WITH FOLLOWING: "THE PAYMENTS SHALL BE MADE TO THE
DEPARTMENT OF STATE FOR U.S. TREASURY ACCOUNT NUMBER
19X6035." FRENCH SHOULD MAKE CHECK OR FUNDS TRANSFER ORDER

PAYABLE TO THE DEPARTMENT OF STATE. PAYMENT CAN BE BY CHECK IN PARIS, GIVEN TO EMBASSY; BY CHECK IN WASHINGTON, GIVEN TO DEPARTMENT OF STATE DIRECTLY; OR BY TRANSFER TO THE DEPARTMENT OF DOLLAR FUNDS WHICH FRANCE HAS ON DEPOSIT IN THE FEDERAL RESERVE BANK IN NEW YORK. IN ORDER TO MAKE PAYMENT, FRENCH NEED NEITHER THE STATE DEPARTMENT STATION CODE IN THE FEDERAL RESERVE BANK (19-00-001) NOR THE TREASURY ACCOUNT NUMBER INTO WHICH THE FUNDS WILL BE COVERED

NO MATTER HOW RECEIVED (19X6035). WE DO NOT USUALLY INCLUDE SUCH INTERNAL DETAIL IN AN INTERNATIONAL AGREEMENT, BUT BELIEVE IT MIGHT ENHANCE "TECHNICAL" APPEARANCE WHICH FRENCH SEEK, WHILE SERVING U.S. INTERESTS, IF SENTENCE SUCH AS ABOVE WERE INCLUDED. EMBASSY MAY PROVIDE FRENCH THESE DATA, AND INFORM THEM THAT 19X6035 IS THE U.S. TREASURY ACCOUNT SET UP PURSUANT TO 31 U.S.C. SECTION 547 FOR THE HANDLING OF FUNDS RECEIVED BY THE SECRETARY OF STATE FROM FOREIGN GOVERNMENTS IN TRUST FOR U.S. CITIZENS OR OTHERS AND NORMALLY USED IN CLAIMS SETTLEMENTS. FRENCH COULD, UNDER PROPOSED FORMULA, MAKE PAYMENT IN ANY OF THE THREE WAYS MENTIONED ABOVE.

3. WE ARE PREPARED TO MENTION THE BILATERAL AGREEMENTS UNDERLYING THE U.S. CLAIM AND THE SETTLEMENT. EMBASSY SHOULD CONFIRM WITH FRENCH THAT SUCH LISTING HAS NO LEGAL SIGNIFICANCE FOR US BILATERALLY, BUT IS SOLELY INTENDED TO MEET THE FRENCH CONCERN DESCRIBED IN REF C, PARA 3. IF THIS IS CASE, WE CAN AGREE TO PARTIAL LISTING OF AGREEMENTS. HOWEVER, WE PREFER TO LIST ALL FOUR, FOR SAKE OF COMPLETENESS. WE VIEW THE JUNE 17, 1953, HEADQUARTERS AGREEMENT AS LEGALLY DISTINCT FROM THE 1950 LINE OF COMMUNICATIONS AGREEMENT, ALTHOUGH THE FORMER INCORPORATED THE LATTER AGREEMENT'S PROVISIONS BY REFERENCE. IT IS THIS PORTION OF THE 1953 HEADQUARTERS AGREEMENT WHICH WAS SUPERSEDED OR SUBSUMED BY THE DECEMBER 8, 1958 SYSTEM OF COMMUNICATIONS AGREEMENT, BUT THE 1953 AGREEMENT ITSELF RELATES THE PROCEDURES AND PROVISIONS
CONFIDENTIAL

PAGE 03 STATE 126149

OF THE 1958 AGREEMENT TO THE HEADQUARTERS FACILITIES. WE SHOULD THINK THAT FRENCH PURPOSES WOULD BE SERVED BY SUCH COMPLETENESS.

4. OUR LAST, MINOR, SUGGESTION, IS TO ADD "BETWEEN OUR TWO GOVERNMENTS" AFTER "AGREEMENT" IN THE LAST PARAGRAPH OF THE NOTE.

5. FOR EMBASSY'S CONVENIENCE, WE ARE PROVIDING DRAFT U.S. REPLY NOTE, INCORPORATING LANGUAGE SERVICE'S TRANSLATION OF FRENCH NOTE AND ABOVE MODIFICATIONS:

BEGIN TEXT: I HAVE THE HONOR TO ACKNOWLEDGE YOUR

EXCELLENCY'S NOTE OF TODAY'S DATE WHICH READS IN
TRANSLATION AS FOLLOWS:

MR. AMBASSADOR:

I HAVE THE HONOR TO REFER TO THE RECENT TALKS BETWEEN
REPRESENTATIVES OF THE UNITED STATES GOVERNMENT AND THE
FRENCH GOVERNMENT REGARDING THE FINANCIAL CONSEQUENCES
OF THE DECISIONS REACHED BY THE FRENCH GOVERNMENT IN
APPLICATION OF ITS AIDE-MEMOIRES OF MARCH 10 AND 29,
1966, WHICH LED TO THE WITHDRAWAL OF UNITED STATES
MILITARY PERSONNEL, SUPPLIES, AND EQUIPMENT FROM
FRENCH TERRITORY.

THE FRENCH GOVERNMENT PROPOSES THAT THE GOVERNMENT OF
THE UNITED STATES ACCEPT THE SUM OF U.S. DOLLARS 100
MILLION, PAYABLE IN FIVE EQUAL PAYMENTS OF U.S. DOLLARS
20 MILLION EACH IN THE MONTH OF JUNE 1975 AND IN THE
MONTH OF JUNE OF THE FOUR SUCCEEDING YEARS, IN TOTAL
SETTLEMENT OF THE FINANCIAL CLAIMS SUBMITTED TO THE
FRENCH GOVERNMENT BY THE GOVERNMENT OF THE UNITED
STATES IN ITS NOTE OF SEPTEMBER 17, 1968 AND ITS
MEMORANDUM OF JANUARY 14, 1969. THE PAYMENTS SHALL
BE MADE TO THE DEPARTMENT OF STATE FOR U.S. TREASURY
ACCOUNT NUMBER 19X6035. THIS LUMP SUM SETTLEMENT IS
REACHED IN APPLICATION OF THE PROVISIONS OF THE FRANCO-
AMERICAN AGREEMENTS OF FEBRUARY 27, 1951, OCTOBER 4, 1952,
JUNE 17, 1953 AND DECEMBER 8, 1958.
CONFIDENTIAL

PAGE 04 STATE 126149

IF THESE PROPOSALS ARE ACCEPTABLE TO YOUR GOVERNMENT,
THE FRENCH GOVERNMENT SUGGESTS THAT THIS NOTE AND THE
REPLY THERETO SHALL CONSTITUTE AN AGREEMENT BETWEEN
OUR TWO GOVERNMENTS WHICH SHALL ENTER INTO FORCE ON
THE DATE OF YOUR REPLY.

I AM PLEASED TO INFORM YOU THAT THESE PROPOSALS ARE
ACCEPTABLE TO AND HAVE RECEIVED THE APPROVAL OF THE
GOVERNMENT OF THE UNITED STATES.

6. EMBASSY IS REQUESTED TO DISCUSS THESE MINOR MODI-
FICATIONS WITH QUAI AND SEEK TO WORK OUT AGREED TEXTS
FOR EXCHANGE RAPIDLY ENOUGH TO GIVE FRENCH LEAD TIME
THEY REQUIRE FOR PAYMENT IN JUNE. INGERSOLL

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<< END OF DOCUMENT >>

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